

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED
MAY 02 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

AT&T Corp. Petition for Declaratory Ruling that)
Ameritech Ohio's Dialing Parity Cost Recovery)
Mechanism Violates 47 C.F.R. § 51.215)

CC Docket No. 96-98
File No. NSD-L-00-06

AT&T CORP.'S REQUEST TO WITHDRAW PETITION

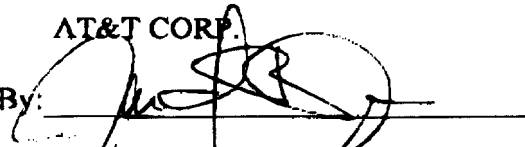
On March 28, 2000, AT&T Corp., the Public Utilities Commission of Ohio ("PUCO") and Ameritech Ohio, filed a Request for Expedited Ruling on Stay Request ("Stay Request"), in which they requested that the Commission hold this matter in abeyance in order to allow the PUCO time to consider a settlement agreement resolving the issues raised in AT&T's Petition. That settlement agreement is attached as Exhibit 1 to this document. By order dated April 27, 2000, attached to this pleading as Exhibit 2, the PUCO approved the settlement agreement.¹ Accordingly, AT&T hereby seeks to withdraw its petition.

No. of Copies rec'd 014
List A B C D E

¹ Opinion and Order, In the Matter of the Application of Ameritech Ohio (Formerly known as The Ohio Bell Telephone Company) for Approval of an Alternative Form of Regulation, (Public Utilities Commission of Ohio, Case No. 93-487-TP-ALT), released April 27, 2000, pp. 9-10.

For the foregoing reasons, and those stated in the Stay Request, AT&T respectfully requests that Commission grant AT&T's request to withdraw its petition.

Respectfully submitted,

AT&T CORP.
By: 

Mark C. Rosenblum
Roy E. Hoffinger
James H. Bolin, Jr.
295 North Maple Avenue, #1130M1
Basking Ridge, NJ 07920
(908) 221-4617

William A. Davis, II
David J. Chorzempa
222 West Adams
Suite 1500
Chicago, IL 60606
(312) 230-3503

Its Attorneys

May 2, 2000

AT&T EXHIBIT 1

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application)	
Of The Ohio Bell Telephone Company)	
For Approval of an Alternative Form of)	Case No. 93-487-TP-ALT
Regulation.)	

STIPULATION AND RECOMMENDATION

The Staff of the Public Utilities Commission of Ohio (the "Staff")¹, Ameritech Ohio ("Ameritech" or "the Company"), and the entities whose names appear on the signature page, which are collectively referred to herein as "the parties" or "Stipulating parties", hereby submit to the Public Utilities Commission of Ohio (the "Commission") this Stipulation and Recommendation (the "Stipulation").

A. RECITALS

1. On November 23, 1994, the Commission entered an Opinion and Order in this proceeding adopting a Plan of Alternative Regulation for Ameritech Ohio (the "Plan"). The Commission adopted an Entry On Rehearing affirming its adoption of the Plan on January 19, 1995.

2. The Plan became effective on January 9, 1995. Under its terms, Section 30, the Plan remains in effect for at least six years and until the Commission issues an

¹ The Staff is considered a party for purposes of entering into this Stipulation pursuant to Ohio Administrative Code Section 4901-1-10.

order either changing the Plan, adopting a replacement plan, or modifying the form of regulation under which the Company operates.

3. The Ohio Supreme Court in the case of Time Warner AxS v. Pub. Util. Comm. (1996), 75 Ohio St. 3d 229 reversed and remanded the Commission's orders adopting the Plan.

4. Effective June 18, 1996, the Ohio General Assembly enacted Substitute Senate Bill 306. That legislation provided that the Plan that was approved, as modified in the Opinion and Order of the Commission dated November 23, 1994 and its Entry on Rehearing dated January, 19, 1995, was to be effective on a prospective basis on and after the effective date of the Bill and that the Plan should remain in effect as provided for in the Plan, as if it had become effective on January 9, 1995.

5. After notice to all parties to this case and extensive negotiations, the Stipulating Parties, represented by experienced counsel and other experts, reflecting widely varying interests and being knowledgeable of the circumstances, have agreed upon the terms of a Stipulation, as set forth herein. The Stipulation includes provisions: a) to extend the Plan, as modified herein; b) for a new grant of alternative regulation under Revised Code § 4927.03; and c) further agreements. The Stipulating Parties recommend its adoption without modification by the Commission.

6. This Stipulation is the product of serious bargaining between the parties. It does not necessarily reflect the position which any one or more of the Stipulating Parties would have taken if the issues presented had been litigated to conclusion or may take if the issues are presented to the Commission without this Stipulation. While the parties recognize that this Stipulation is not binding upon the Commission, the

Stipulating parties agree that the Stipulation represents a just and reasonable resolution of all the issues presented in this proceeding. Accordingly, the Stipulating parties recommend that the Stipulation is entitled to careful consideration and should be adopted in its entirety by the Commission.

Except for enforcement purposes, this Stipulation shall not be cited as precedent for or against any signatory or the Commission itself, if it approves this Stipulation. The Stipulation is expressly conditioned upon adoption in its entirety by the Commission and without material modification by the Commission. In the event that the Commission does not issue an order adopting this Stipulation within 45 days of its filing, any Stipulating party shall have the right to terminate and withdraw this Stipulation by filing a notice with the Commission. In the event that the Commission issues an order that does not adopt this Stipulation in its entirety and without material modification, any Stipulating party shall have the right, within five days of the Commission's order, to either file an application for rehearing which is consistent with this Stipulation or to terminate and withdraw the Stipulation by filing a notice with the Commission.² Upon adoption of a rehearing order which does not adopt the Stipulation in its entirety without material modification, any Stipulating party may terminate and withdraw the Stipulation by filing a notice with the Commission within five days of the Commission's entry on rehearing. Upon notice of termination or withdrawal by any Stipulating party, pursuant to the above provisions, the Stipulation shall immediately become null and void. The Company hereby consents to the adoption of the Plan amendments set forth herein, subject to its consent being withdrawn pursuant to this paragraph.

² Any reference in this Stipulation to "file" or making a "filing" means to file the pertinent document in this docket with the Commission's Docketing Division.

B. ALTERNATIVE REGULATION PLAN

1. The Stipulating Parties agree that the Plan, as modified herein, will be extended two years from January 9, 2001 through January 8, 2003. The Stipulating parties further agree that the Stipulation being submitted to the Commission for adoption constitutes a request and recommendation to the Commission to issue a new grant of alternative regulation pursuant to R.C. Section 4927.03 for Ameritech Ohio's non-basic local exchange services. The grant of alternative regulation set forth in the Plan adopted November 23, 1994 under R.C. 4927.03 shall terminate upon a final Commission order adopting this Stipulation for purposes of applying the eight year provisions of R.C. 4927.03(D). The Stipulating parties agree that the current Plan has been in effect for less than eight years and that the extension granted in accordance with this Stipulation should be considered as a new grant of alternative regulation under R.C. Section 4927.03 for non-basic competitive services, therefore, the eight-year provision of R.C. Section 4927.03 would not be applicable. Upon the final adoption of this Stipulation by the Commission, Ameritech Ohio further agrees to waive the claim that any period of time prior to the Commission's final order should be considered in the calculation of the eight year provision of R.C. 4927.03(D). The Plan should be considered amended as set forth in this Stipulation. In the event of a conflict between the language of the Plan and this Stipulation, the Stipulation language shall control.

2. The Stipulating Parties agree that the replacement of rate base rate-of-return regulation with price cap regulation and the prohibition on the Commission and other Stipulating Parties from initiating an overearnings or excess profits complaint case

against the Company set forth in Sections 9 and 30 of the Plan would be extended for two years. After January 8, 2002, any party may propose a replacement plan to become effective after January 8, 2003.

3. The Stipulating Parties agree that under the Plan, Cell 1 core service rates for residence customers will be capped at current levels for the duration of the Plan extension. (Ameritech Ohio previously committed to extend the cap on such rates up to and including January 9, 2002 in the merger stipulation approved in Case No. 98-1082-TP-AMT.) Cell 1 core service rates for non-residence customers also will be capped at current levels for the duration of the Plan extension unless such services are reclassified to Cell 4 pursuant to the provisions of Section B., paragraph six of this Stipulation. The Company further agrees that its customer owned coin telephone access line rates shall remain subject to any determinations by the Commission in Case No. 96-1310-TP-COI.

4. The Stipulating Parties agree that Message Toll Services, as set forth in PUCO tariff No. 20, Part 9, Part 13, Section 2 and Part 20, Section 9, which are currently classified as Cell 2 services, will be reclassified as Cell 4 services, effective with final Commission adoption of this Stipulation.

5. The Stipulating Parties agree that all Cell 4 services as set forth in Exhibit B of the Plan, (including Message Toll Services reclassified to Cell 4 pursuant to paragraph 4 above), will be removed from the price cap plan effective upon final Commission adoption of this Stipulation. During the extension period, Cell 4 services will continue to be subject to the price floor and LRSIC/Imputation requirements as described in the Plan, Sections 11.G, 19 and 20. These pricing provisions do not limit the PUCO's ongoing jurisdiction over Cell 4 services.

6. The Stipulating Parties agree that upon final Commission adoption of this Stipulation and effective during the Plan extension, all services, other than residence Cell 1 core services, which are classified by the Commission as Competitive Telecommunications Services (CTS) pursuant to Case No. 99-563-TP-COI, will be considered to have met the criteria for Cell 4 services and the criteria for the movement of services to Cell 4 as set forth in Sections 11.C. and E. of the Plan. All such services shall be moved to Cell 4 by the Company within 15 days of the Commission's CTS classification, to be effective upon the filing of a notice with the Commission.

7. The Company agrees, effective upon final Commission adoption of this Stipulation, to increase the funding level for Distance Learning Equipment, as set forth in Section 22. E. of the Plan, to \$3 million (from \$500,000) in 2001 and to provide additional funding of \$3 million in 2002.

8. The Company agrees, effective upon final Commission adoption of this Stipulation, to extend the Economic Development funding commitment, set forth in Section 22. J. of the Plan, for two years with funding of \$0.25 million in 2001 and \$0.25 million in 2002.

9. The Company agrees, effective upon final Commission adoption of this Stipulation, to provide additional funding of \$0.5 million in 2001 and \$0.5 million in 2002 designated for Community Computer Centers as set forth Section 22. F. (these amounts are in addition to the funding set forth in the Merger Stipulation in Case No. 98-1082-TP-AMT). Up to \$25,000.00 of the additional funding amounts may be used in each 12 month period to assist in program design and implementation, which amount shall be disbursed to the Ohio Community Computer Center Network ("OCCCN") upon

request. The remaining amounts shall be disbursed for the creation and support of new and existing community computer centers in urban and rural areas. Such disbursements shall be determined solely by the board of the OCCCN. The OCCCN shall provide an annual report, subject to audit, that includes the disbursement of any of the funds and the operations described in this paragraph to the Commission. All funds described herein shall be expended by the Company and shall remain available to the OCCCN until disbursed.

10. The Company agrees, effective upon final Commission adoption of this Stipulation, to create an Internet Technology Fund and to make funding of \$0.1 million in 2001 and \$0.1 million in 2002 available to the OCCCN to implement alternative ways of providing internet access in areas where such access may not be readily available. A special OCCCN Committee comprised of representatives of the OCCCN, OCC, Staff, the Company and any consumer group supporting the Stipulation shall be established to develop and select proposals for the OCCCN to implement or fund. All funds described herein shall be expended by the Company and shall remain available to the OCCCN special Committee until disbursed. An annual report, subject to audit, shall be filed by the OCCCN with the Commission on its operations under this paragraph.

11. The Company agrees to provide up to \$50,000 in 2001 towards an internet accessibility pilot program for senior citizens within the Company's current service area. The Company will solicit proposals for a senior citizens internet access pilot, after obtaining the advice of the Staff, the OCC and any consumer groups signing this Stipulation. The Company will select one or more proposals, after consulting with the Staff, the OCC and any consumer group signing this Stipulation. After selection, the

Company will provide the entity or entities selected with funding to implement the proposal up to a total of \$50,000, to be paid in a lump sum.

12. The Company agrees to deploy diverse routing between all remote and host central offices in the Company's existing service territory (where such diversity is not currently deployed) during the term of the Plan as extended. The Company further agrees to deploy diverse routing for any additional remote switches placed in service before January 9, 2003 in its current service area.

13. The Stipulating Parties agree that Plan's Price Cap Index's exogenous adjustment threshold should be increased for the duration of the Plan as extended, such that any proposed exogenous adjustment must affect the revenues subject to the Price Cap Index by at least \$ 5 million per event. The Company agrees not to seek an exogenous adjustment with respect to: a) costs associated with dialing protocol changes (e.g., 10 digit local dialing), b) costs associated with the Company's third party OSS testing or other costs associated with the Company's Section 271 interLATA long distance entry application, or c) Company specific penalties or forfeitures that could have been avoided, either through Company action or inaction. The Company further agrees not to seek recovery as an exogenous event under the Plan's Price Cap of any revenue reductions that may be caused by an FCC order in CC Docket Nos. 96-262, et. al. which is not directly appealed by SBC/Ameritech.

Method for Determining Whether an Exogenous Change Qualifies as an Exogenous Adjustment

Proposed exogenous changes to the Price Cap Index will be allocated proportionately by revenues across all Price Cap cells and baskets (i.e. residence and business) affected by the exogenous event. Any proposed exogenous change shall

include a proportional allocation to Cell 4 services, if Cell 4 services are affected by the exogenous event. Documentation of this allocation shall be part of the annual price cap filing when an exogenous adjustment is proposed. If the exogenous event only affects services not subject to the PCI or affects services subject to the PCI in an amount of less than (in absolute value) \$5 million, then that exogenous event will not be applied to the PCI.

The following examples illustrates the methodology to be used to determine whether a proposed exogenous change meets the \$ 5 million fixed exogenous adjustment threshold:

Example 1. Assume there is an exogenous cost event where the amount allocated to revenues for Cell 1 through Cell 4 services is \$10M, and which is proportionately distributed as follows:

	Not Subject To PCI	Subject to PCI			Not Subject To PCI	Total Cost
	Cell 1 Core	Cell 1 Non- Core	Cell 2	Cell 3	Cell 4	
Rev. Dist.	30%	20%	20%	20%	10%	100%
Exog Event (\$M)	\$ 3.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 1.0	\$ 10.0

In the above example, the proportion of the proposed exogenous cost event that is allocated to cells subject to the PCI is \$ 6M, which is greater than the \$5M threshold. Thus, this event would qualify as an exogenous cost adjustment and \$6 million would be applied to the PCI.

Example 2. Assume there is an exogenous cost event where the proportionate amount allocated to revenues for Cell 1 through Cell 4 services is \$ 6M. and which is distributed as follows:

	Not Subject To PCI	Subject to PCI			Not Subject To PCI	Total Cost
	Cell 1 Core	Cell 1 Non-Core	Cell 2	Cell 3	Cell 4	
Rev. Dist.	30%	20%	20%	20%	10%	100%
Exog Event (\$M)	\$ 1.8	\$ 1.2	\$ 1.2	\$ 1.2	\$ 0.6	\$ 6.0 M

In this example, the proportion of the exogenous cost event that is allocated to the PCI is \$ 3.6M (\$ 1.2 + \$ 1.2 + \$ 1.2), which is less than the \$ 5M threshold. Thus, this event would not qualify as an exogenous cost event and the \$3.6 million would not be applied to the PCI.

Method for Allocating an Exogenous Adjustment to the Price Cap Baskets

The presumption shall be that any exogenous cost event shall be allocated among Cell 1 Core, Cell 1 Non-Core, Cell 2, Cell 3 and Cell 4 proportionately to the revenues of each cell. Any change to this allocation shall be documented and explained by the Company, in order to demonstrate that a different allocation is justified due to the disproportionate effect on certain cell(s) of the exogenous event. For the Residence Baskets, the amount allocated to Cell 1 Non-Core and Cells 2 and 3 may be recovered in whole, or in part, by the services in Cell 1 Non-Core and Cells 2 or 3, subject to the pricing restrictions of the current Plan. For the Non-residence Basket, the amount allocated to Cell 1 Non-Core, Cell 2 and Cell 3 may be recovered in whole, or in part, by the services in Cell 1 Non-Core, Cell 2 or Cell 3, subject to the pricing restrictions of the current Plan.

Since the rates for Cell 1 Core services will remain capped under this Stipulation (paragraph B.3.), the rates for all Cell 1 Core services will remain unaffected by any positive or negative exogenous adjustments. Pursuant to this Stipulation (paragraph B.5.) Cell 4 services will no longer be under the Price Cap. Thus, the \$ 3M allocated to Cell 1 Core and the \$1 million allocated to Cell 4 in Example 1 could not be allocated to Cell 1 Non-Core, Cell 2, or Cell 3.

C. ADDITIONAL COMMITMENTS

1. The Company agrees to extend the USA program, as set forth in the current Plan, Exhibit G (and as modified or interpreted by Commission orders issued prior to the execution of this Stipulation) up to and including July 8, 2003. The Company further agrees, contingent upon the availability of any necessary data, to provide Universal Service Assistance Plan 1 (USA) automatic enrollment, in the same manner as is currently being piloted in the 614 NPA , to customers throughout its current service area within six months of final Commission adoption of this Stipulation. The Company will consult with the Staff and any consumer groups signing the Stipulation concerning the expansion of the automatic enrollment program and will invite the Staff and any consumer groups signing the Stipulation to participate in any meeting with Ohio Department of Human Services ("ODHS") concerning automatic enrollment. The current 614 NPA automatic enrollment program enrolls customers in qualifying programs (Medicaid, Food Stamps, Ohio Works First, Disability Assistance) based on data provided by the Ohio Department of Human Services (ODHS). The current 614 NPA automatic enrollment pilot process is based on a file of eligible persons supplied by the

government agency using social security numbers as the validation field. The Company performs a match based on the data provided to determine which current customers are eligible for USA Plan 1, but are not currently enrolled. The Company performs the automatic enrollment process no less than once per quarter assuming that ODHS provides an updated file of eligible persons on at least a quarterly basis. If ODHS does not provide an updated file of eligible persons at least quarterly, the Company will perform the automatic enrollment process within 30 days of receiving the updated file. The data supplied by ODHS is also used to build an on-line verification process. Under the current process customers are sent a notification letter of their eligibility for USA Plan 1 benefits and are also provided with the opportunity to decline to be enrolled. The Company may also use the data provided by ODHS as evidence that a customer is no longer a participant in the qualifying ODHS administered program. The process for removing customers who are no longer eligible to receive USA benefits will be discussed by the Company with the USA Advisory Committee prior to beginning any process of removing ineligible customers. The six month implementation interval is dependent upon the availability of required data feeds from State (i.e., Ohio Department of Human Services) databases. Should such required data feeds not be made available in time to implement automatic enrollment within the specified timeframe, the Company will notify the Commission Staff and the Stipulating Parties of the delay and will establish a new implementation schedule. The automatic enrollment program including the current 614 NPA automatic enrollment program pilot, shall remain in effect up to and including July 8, 2003.

2. The Company agrees to conduct a Universal Service Assistance Plan 1 (USA) automatic enrollment pilot in an NPA, to be identified by the Commission Staff with input from the consumer groups supporting this Stipulation, to include all qualifying USA programs, (HEAP, E-HEAP, or an equivalent successor program to HEAP or E-HEAP, Ohio Energy Credits, SSI and Federal Public Housing Assistance and Section 8) subject to the availability of the necessary data. The existing 614 NPA automatic enrollment program already enrolls customers in qualifying programs (Medicaid, Food Stamps, Ohio Works First, Disability Assistance) based on data provided by the ODHS. The pilot will be conducted in the same manner as the current 614 area automatic enrollment pilot program. The Company will invite the Staff and any consumer groups signing the Stipulation to participate in any meeting with involved governmental agencies concerning the automatic enrollment pilot. The current pilot program is generally described in paragraph 1 of this Section C. The Company will begin the pilot within 12 months of final Commission approval of the Stipulation, contingent upon data feed availability from State or other external sources. The automatic enrollment pilot shall remain in effect up to and including July 8, 2003. The Company will consult with the Staff and the USA Advisory Board on the implementation and the evaluation of the pilot.

3. The Company agrees to provide, up to and including July 8, 2003, a designated Ohio representative to the USA Advisory Board who will work closely with the person responsible for oversight of the USA program. At this time the Company does not contemplate that this representative will be the "one person designated to have responsibility for the USA program" as required in Case No. 93-487-TP-ALT (Opinion and Order, December 30, 1998). The Company has indicated to the Stipulating Parties

that the person currently responsible for the USA program is located in San Antonio: however the location of that person may change. The Ohio representative (or their designee if unusual circumstances arise preventing their attendance) will attend all USA Advisory Board meetings and sub-committee meetings. The Company agrees that the person with program oversight responsibility will make a good faith effort to attend all monthly Advisory Board meetings, either in person or by teleconference, and to the extent practical, notify the Board in advance when unable to attend. The Company agrees that the person with program oversight responsibility, wherever located, will have no less authority concerning the USA program than the person currently responsible for the USA program.

4. The Company agrees, effective upon final Commission adoption of this Stipulation, to increase the promotional budget available for the USA plan from \$122,000 to \$276,000 per year for 2001 and 2002.

5. The Company agrees that within six months of final Commission adoption of this Stipulation it will incorporate USA Plan 1 special payment arrangements for deniable charges on live account current bills as a separate item to be included in the total amount due. Payment arrangements associated with previous final bills would not be included. The Company also agrees to provide a generic bill page message reminder notice to all USA customers regarding special payment arrangements. The Company will review its proposed bill page message with the Staff and the USA Advisory Committee. A bill page message will be provided no less than every three months beginning no later than 60 days after final Commission adoption of this Stipulation and ending on July 9, 2003.

6. Up to and including January 8, 2003, the Company agrees to extend the automatic application of MTSS credits to residential customers for missed installation and repair premises appointments as set forth in Section VI.D. of the Stipulation and Recommendation in Case No. 98-1082-TP-AMT.

7. Up to and including January 8, 2003, the Company agrees not to seek a late payment charge for residential basic local exchange service.

8. The Company agrees to reduce residence customer rates for Calling Party Number Blocking (Per Line) from \$1.00/per month to \$0.50 /per month and for Toll Restriction from \$5.95/per month to \$3.00/per month, effective 15 days after final Commission adoption of this Stipulation and to cap such rates at the reduced levels up to and including January 8, 2003.

9. The Company agrees to conduct a 90-day residential Caller ID promotion during 2001 by waiving the non-recurring installation charge and the monthly charge for the first three months for new residential Caller ID customers.

10. Up to and including January 8, 2003, the Company agrees that service packages offered by the SBC/Ameritech entity or entities certified by the Commission to provide service to residence customers in the four new market areas, defined in the Stipulation and Recommendation in Case No. 98-1082-TP-AMT, will have price ranges of 70 –140% of the sum of the prices for the comparable set of services offered by the incumbent local exchange carrier in the respective geographic areas.

11. The Stipulating Parties agree to fully resolve the dispute currently before the Commission regarding the Company's \$5.3 million exogenous cost change adjustment to the Price Cap Index (effective July 1, 1999 in Case No. 93-487-TP-ALT).

In full and final settlement of the dispute, the Company agrees to eliminate the July 1, 1999 Price Cap Index exogenous adjustment of \$5.3 million in its entirety, effective within 30 days after final Commission adoption of this Stipulation. The Company further agrees to implement a prospective negative \$5.3 million price cap adjustment that would be effective for the same length of time that the positive July 1, 1999 exogenous adjustment was in place. This prospective adjustment is intended to offset the revenue effect of the implementation of the July 1, 1999 exogenous adjustment. The prospective adjustment will also take effect within 30 days following final Commission adoption of the Stipulation. The Company shall perform the prospective adjustment via the PCI or GPI, upon proper documentation to the Staff and the OCC.

12. The Company agrees to modify its tariff methodology for intraLATA 1+ cost recovery such that costs will be allocated across all originating intraLATA toll minutes of use. All relevant costs, including those associated with the waiver of PIC change charges, will be included in the calculation. The Stipulating parties agree, consistent with the provisions of this Stipulation, that the cost recovery charge contained in the Company's February 1, 2000 tariff filing, Case No. 96-1353-TP-ATA, should be reduced from \$.005121 per minute of use to \$.001401 per minute of use. In the event an approved tariff is in effect prior to final Commission approval of the Stipulation, the Company agrees to implement a true up between the new rate developed under the methodology set forth above and the rate implemented pursuant to the methodology approved in Case No. 96-1353-TP-ATA, retroactive to the effective date of the tariff. The Stipulating Parties agree that the Commission's adoption of this Stipulation fully resolves the issues raised in Case No. 96-1353-TP-ATA and in the FCC's CC Docket No.

96-98 and File No. NSD-L-00-06 as to the Company's intraLATA 1+ cost recovery methodology. AT&T agrees to seek to withdraw its pending FCC Petition in CC Docket No. 96-98 and NSD-L-00-06 concerning the Company's intraLATA 1+ cost recovery within five days of final Commission adoption of this Stipulation. AT&T and the Company further agree to support a request, within five days of the execution of this Stipulation, that the FCC stay consideration of AT&T's Petition pending the Commission's consideration of this Stipulation.

13. The Company agrees to withdraw its pending intraLATA PICC filing, Case No. 99-30-TP-ATA, within 10 days of final Commission adoption of the Stipulation. The Company further agrees that the Company's maximum intrastate PICC rate levels (in the aggregate) for the duration of the Plan extension shall be the lower of: a) the current rate levels or b) the interstate rate levels. The Stipulating Parties agree not to contest or in any way challenge the Company's current intrastate PICC rate levels (in the aggregate) for the duration of the Plan extension provided that such rate levels do not exceed the maximum PICC rates established by this paragraph. The agreements set forth in this section are not intended to preclude or limit the ability of any of the Stipulating Parties from taking any position regarding PICC charges in the Commission's generic access charge proceeding, Case No. 00-127-TP-COI.

14. The Company agrees that a Collaborative Dispute Expedited Complaint Resolution Process, as set forth in Attachment 1, for the resolution of issues from the performance measurements collaborative under paragraph IV.D.11 of the Stipulation and Recommendation in Case No. 98-1082-TP-AMT and for disputes arising from the OSS third party testing collaborative is reasonable and should be adopted by the Commission.

Nothing in this paragraph precludes the Company or any CLEC from proposing for Commission adoption a more expedited schedule for the resolution of any issue.

The Company further agrees that the timeframes set forth in Attachment 1, paragraphs 2, 3, and 4 are reasonable and should be adopted by the Commission in all complaint cases between the Company and CLECs, at the option of the complainant.

15. The Company agrees to send, by March 31, 2000, a written draft of its action plans resulting from the March 21, 2000 CLEC SBC/Ameritech wholesale organization meeting to the CLECs attending the meeting for input. The Company further agrees to implement in good faith those written plans, as they may be modified as a result of CLEC input, which are agreed to by at least a majority of CLECs attending the meeting ("final action plans"). The Company's final action plans shall be filed with the Commission in this docket. The Company's agreement to implement its final action plans in good faith shall be considered a commitment of this Stipulation. Within three months after the March 21, 2000 meeting a follow up meeting will be held between high level Company wholesale operations personnel and interested CLECs to review the results of the final action plans and to make appropriate revisions or additions to the final action plans.

16. The Company agrees to file either a tariff or model interconnection agreement amendment, at the Company's election, setting forth the rates, terms and conditions for the offering of the unbundled network element platform ("UNE-P") within 30 days after the execution of this Stipulation. If the Company elects to file a model amendment rather than a tariff, the Company agrees that such amendment would be available for initial agreements on a going forward basis and/or for existing agreements.

In either the tariff filing or agreement amendment filing, the Company would also submit supporting cost information using the same basic inputs (e.g., cost of capital, depreciation, fill factors, non-volume sensitive cost factors and shared and common cost factors) as determined by the Commission in Case No. 96-922-TP-UNC. The filing would also include supporting testimony for both the UNE-P and the Company's February 10, 2000 shared transport cost information submission (and any updated information). The Company will serve the UNE-P filing and supporting testimony, as described herein, on all parties in Case No. 96-922-TP-UNC, pursuant to existing non-disclosure agreements in Case No. 96-922-TP-UNC or a new non-disclosure agreement for confidential information.

Ameritech Ohio, with persons knowledgeable on the subject of the filing, agrees to attend a technical conference, to be held within two weeks of the filing, in order to informally respond to questions concerning the UNE-P and shared transport filing. The Stipulating parties agree that the following is a reasonable schedule and shall recommend that it be adopted by the Commission. A 45-day discovery period with a seven-day response time should be established which will begin to run upon the filing of the tariff or model agreement amendment. The Stipulating parties further agree that the schedule should require intervenors to file testimony two weeks after the close of discovery. The Stipulating parties further agree that the hearing should be scheduled to commence no more than two weeks after the filing of intervenor testimony and that the hearing should be limited to no more than four days. The Stipulating parties agree that the Company should be allowed to conduct additional discovery during the period between the filing of

intervenor testimony and the hearing. The Stipulating parties further agree that initial briefs should be filed 21 days after the close of the hearing and reply briefs 14 days later.

Ameritech agrees that the parties in Case No. 96-922-TP-UNC that have otherwise entered into a proprietary agreement with Ameritech in that case may have the right to access and use information and/or documents disclosed and/or produced by Ameritech in Illinois Commerce Commission Docket Nos. 96-0486/0569 Consolidated and Docket No. 98-0396 and Michigan Public Service Commission ("MPSC") Case No. U-11831. The parties may access and use such information and/or documents consistent with the governing proprietary agreement in Case No. 96-922-TP-UNC. Ameritech agrees not to object to the use of such information and/or documents by the parties in Case No. 96-922-TP-UNC in preparing for hearing or at hearing in Case No. 96-922-TP-UNC on the basis that such use is prohibited by a proprietary agreement in Illinois Commerce Commission Docket Nos. 96-0486/0569 Consolidated and Docket No. 98-0396 and MPSC Case No. U-11831. The parties agree to file a notice in Case No. 96-922-TP-UNC at least 14 days prior to the hearing which identifies any such information and/or documents that the party may use at the hearing, and will otherwise use a good faith effort to provide notice of other documents prior to the hearing.

17. The Company distributed to CLECs written methods and procedures for CLECs to follow when utilizing the 10 digit trigger capability relating to local number portability and when requesting for NXX code migration on March 15, 2000. The Company agrees to conduct a review of the 10 digit trigger procedures with all interested persons within 7 days of a request for a review meeting. The Company further agrees to conduct a review of the NXX code migration procedures with all interested

persons within 14 days of a request for a review meeting. The Company also agrees to conduct an overview, by employees knowledgeable on the subject, of its processes to port telephone numbers within 15 days of the execution of this Stipulation with the Staff and interested CLECs.

18. The Company agrees to file with the Commission a carrier to carrier tariff for unbundled network elements, interconnection services, line sharing and collocation which will include, where applicable, the Commission approved TELRIC rates for Ameritech Ohio by the later of: 1) 120 days after the execution of this Stipulation, or 2) 10 days after final Commission approval of this Stipulation. The Company agrees that its carrier to carrier tariff filing as described herein shall not be subject to any Commission automatic approval procedures.

19. The Company agrees to file a model interconnection agreement amendment that contains the rates, terms and conditions for line sharing as currently required by the FCC by the later of: 1) May 1, 2000, or 2) 10 days after final Commission adoption of this Stipulation. The Company further agrees that CLECs that enter into the model interconnection agreement amendment for line sharing shall be permitted to purchase from a Commission approved tariff that includes line sharing (filed pursuant to paragraph 18 of this Stipulation). At such time as the Commission approves final rates for line sharing, there shall be a true up to the Commission approved line sharing rates for the period of time a CLEC operates under the model interconnection agreement amendment for line sharing.

20. The Stipulating parties agree to the terms and conditions set forth in Attachment 2 to this Stipulation. The Stipulating parties further agree to present for

adoption at the next scheduled OSS/Third Party Testing Collaborative meeting, after the execution of this Stipulation, the terms and conditions set forth in Attachment 2.

21. With respect to all of the obligations set forth in this Stipulation and the Plan as extended, except for those specifically listed in (1) through (5) below, the Company agrees that: a) up to and including January 8, 2003 (July 8, 2003 for those USA provisions which have been extended to July 8, 2003 as set forth in this Stipulation), in the event there is a change in the statutory law it will continue to be bound by and will fulfill those obligations, unless to do so would be unlawful, and b) that it will not propose, endorse or seek legislation that, if enacted into law, would make it unlawful for the Company to comply with those obligations. The Company further agrees that it will not elect an optional form of regulation if to do so would make it unlawful for the Company to comply with the provisions of this paragraph.

In the event there is a change in the law which would have the effect (either as a direct requirement or condition or through an optional form of regulation) of superceding, terminating or diminishing the Company's obligation to perform the following specifically listed terms of the Plan as extended and modified, the Company may take advantage of such change in the law and thereafter be governed as to the following listed terms under the changed law. The terms of the Plan, as extended and modified, which are subject to this exception are limited to the following:

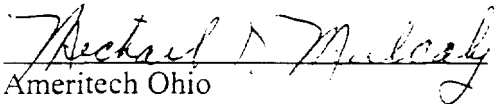
1) The pricing, price cap treatment and cell classification of new services as set forth in Plan paragraphs 11.D, 11.H., 13.H. Any new individual residential basic local exchange service meeting the Plan definition for a Cell 1 service (Plan paragraph 11.C.) shall be classified as a Cell 1 service (either core or non-core).

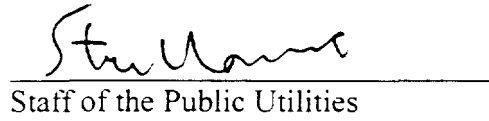
2) The constraints on the de-averaging of residence core services and the requirement to effectuate rate reductions on a proportional basis as set forth on pages 34 and 35 of paragraph 12 of the Plan.

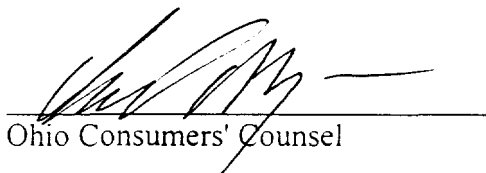
- 3) Centrex Service provision as set forth in Plan paragraph 15.G.
- 4) Customer specific contracts provisions as set forth in Plan paragraph 18.
- 5) The Company's agreement to the process and timeframes for any party to propose a change in the plan, a different form of regulation or a replacement plan and the elements of a replacement plan filing as set forth in pages 91, 92, 93 and 94 of Plan paragraph 30.

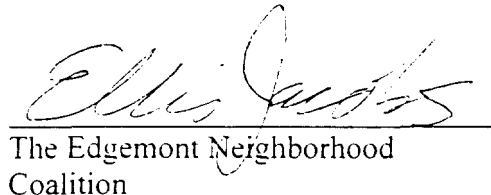
23. Without waiving any right to seek formal relief from the Commission, the Stipulating Parties shall use their best efforts to informally resolve any disputes regarding the meaning of this Stipulation or the Plan during the extension period.

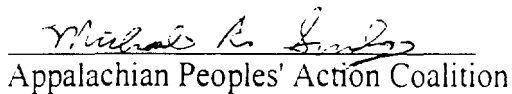
24. The undersigned join in requesting that the Commission issue an order approving and adopting this Stipulation and Recommendation in accordance with the terms set forth above. The undersigned hereby stipulate and agree and each further represents that it is authorized to enter into this Stipulation this 27th day of March, 2000.

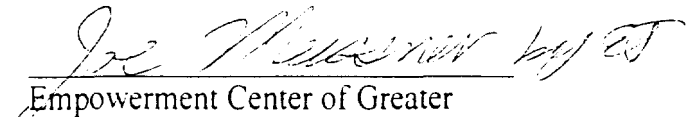

Ameritech Ohio



Staff of the Public Utilities
Commission of Ohio

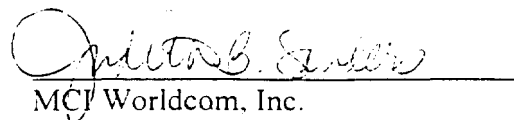

Ohio Consumers' Counsel


The Edgemont Neighborhood
Coalition


Appalachian Peoples' Action Coalition


Empowerment Center of Greater
Cleveland


AT&T Communications of Ohio, Inc.


MCI Worldcom, Inc.

ATTACHMENT 1

Collaborative Dispute Expedited Complaint Process

In the Stipulation and Recommendation in Case No. 98-1082-TP-AMT the Commission adopted a collaborative process for implementing OSS and facilities performance measurements, standards/benchmarks and remedies. Stipulation and Recommendation, Section IV.D. ("Merger Stipulation"). Pursuant to the Merger Stipulation, disputes over additions, deletions or changes to the performance measurements, standards/benchmarks and remedies that are implemented by Ameritech Ohio may be brought to the Commission to resolve such dispute. Section IV.D.11. The Commission has also established an OSS/Third Party Testing Collaborative to discuss issues related to the testing of Ameritech Ohio's OSS. Neither the Merger Stipulation nor the Commission's order establishing the OSS/Third Party Testing Collaborative contains a specific procedure for collaborative participants to bring disputes to the Commission. The Stipulating Parties agree to the following procedure and timeframes for the resolution of such disputes.

1. Any dispute shall be raised through a complaint filed with the Commission. The Stipulating Parties agree that a complaint filed pursuant to R.C. Section 4905.26 is an appropriate vehicle for the Commission to resolve a dispute arising under Section IV.D.11 of the Stipulation and Recommendation in Case No. 98-1082-TP-AMT as to whether such addition, deletion or change should be adopted.
2. Ameritech Ohio shall file an answer to the complaint within 10 days of service of the complaint.
3. The Stipulating Parties agree that discovery shall be limited to a 45 day period with discovery responses to be provided within 10 business days of service.
4. The Stipulating Parties further agree that any hearing should commence within 70 days of the filing of the complaint.

The procedure set forth herein for the resolution of disputes under Section IV.D.11 of the Stipulation and Recommendation in Case No. 98-1082-TP-AMT is not intended to modify in any way or to eliminate any requirement or obligation set forth in that Stipulation and Recommendation. This procedure is not intended to preclude Ameritech Ohio and the participant(s) bringing the complaint from mutually agreeing to a

different procedure. Nothing in this Attachment 1 precludes any party from proposing for Commission adoption a more expedited procedure for the resolution of disputes arising from the performance measurement collaborative or the OSS/ Third Party Testing Collaborative. Ameritech Ohio agrees that the above procedure for the Commission resolution of disputes under Section IV.D.11. in the Stipulation and Recommendation in Case No. 98-1082-TP-AMT, shall continue to apply after the collaborative has ended for disputes raised in the collaborative before its conclusion.

ATTACHMENT 2

Ameritech agrees that, at a minimum, certain enhancements to the existing products, processes, or OSS need to be made prior to beginning third party testing related to such products, processes or OSS. The specific enhancements to the existing products, processes, or OSS that should be made prior to beginning third party testing is an issue that needs to be discussed in the OSS/Third-Party Testing Collaborative prior to beginning any portion of third party testing. Any disputes regarding enhancements that should be made must be resolved either in the collaborative or by the Commission prior to beginning third party testing of products, processes or OSS related to such disputed enhancements. The specific enhancements to be discussed in the collaborative include, but are not limited to:

- A. A new loop assignment process, including voice grade loops served through integrated digital loop carrier equipment as well as xDSL loop prequalification processes for CLECs who use an Electronic Data Interchange system ("EDI"). The collaborative will also discuss means to make these functionalities available to non-EDI CLECs.
- B. A process to order unbundled network element platform ("UNE-P") in commercial volumes for both business and residential customers for CLECs who use an EDI system. The collaborative will also discuss means to make these functionalities available to non-EDI CLECs.
- C. An ordering process for adding ADSL functionality to a voice local loop.
- D. A process to order sub-loop unbundling.
- E. A process to order dark fiber.
- F. A new firm order confirmation process – including a new order jeopardy notification process for both EDI and non-EDI CLECs.
- G. Fail safe Hot-Cut procedures with dial tone including ANI testing completed 48hrs. prior to cut.
- H. A process for synchronizing the Street Address Guide ("SAG") and Customer Service Record ("CSR") so that CSRs would be compared to the SAG, and errors in the CSRs would be corrected.
- I. Provisioning parsed CSRs.
- J. Implementing industry standard versions of EDI (Version 10) and LSOG (Version 4) for ordering, including all associated functionalities by August, 2000.
- K. Implementing an industry standard version of LSOG (Version 4) for preordering.